

All of the assets of this pension system shall be credited, according to the purpose for which they are held, to the following funds:

- (i) The Annuity Savings Fund;
- (ii) The Accumulation Fund; and
- (iii) The Expense Fund.

(1) (a) The Annuity Savings Fund shall be the fund in which the contributions deducted from the compensation of members AND PICKUP CONTRIBUTIONS PROVIDED FOR IN THIS SUBSECTION together with any amounts transferred thereto from the Annuity Savings Fund of the retirement system shall be accumulated. The amounts transferred shall be allocated between regular and additional contributions. On his retirement or other withdrawal from service on the basis of which a retirement allowance is payable, the member's additional contributions, with interest, shall be paid as an additional allowance equal to an annuity that is the actuarial equivalent of that amount, in the same manner as the benefit otherwise payable under this pension system.

(b) (i) Contributions shall be made on and after the date of establishment at the rate of 5 percent of the part of the member's earnable compensation that is in excess of the taxable wage base for each year. Each of the amounts shall be:

1. Deducted until the member retires or otherwise withdraws from service;
  2. Paid into the Annuity Savings Fund;
- and
3. Credited to the individual account of the member.

(ii) After June 30, 1981, or the termination date of any prior contract, the full 5 percent of the member's earnable compensation that is in excess of the taxable wage base may not be provided for except as a deduction from the salary of the member.

(F) (I) IN THIS PARAGRAPH, "APPROVED EMPLOYER" MEANS AN EMPLOYER OF MEMBERS IN THIS PENSION SYSTEM, WHO HAS OBTAINED THE APPROVAL OF THE INTERNAL REVENUE SERVICE TO HAVE AN EMPLOYER PICKUP PROGRAM IN ACCORDANCE WITH § 414(H)(2) OF THE INTERNAL REVENUE CODE.

(II) AFTER JANUARY 1, 1989, THE STATE OR OTHER APPROVED EMPLOYER OF THE MEMBER SHALL PICK UP THE MEMBER